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C O N F I D E N T I A L SHANGHAI 10354

BEIJING PASS CHENGDU

E.O. 12356: DECL: OADR
TAGS: PREL, PINR, US, CN
SUBJ: SINO-US RELATIONS ON THE EVE OF THE SEATTLE MEETING;
A SHANGHAI PERSPECTIVE

REF: A) SHANGHAI 9559 B) SHANGHAI 105

1. QLOU SUMMARY. AN INFLUENTIAL SHANGHAI-BASED INTERNATIONAL RELATIONS THINK-TANK, THE CHINESE INSTITUTE FOR PEACE AND DEVELOPMENT STUDIES (P&D), ON/OCTOBER 28 FORWARDED TO BEIJING AUTHORITIES A REPORT RECOMMENDING THAT CHINA USE THE SEATTLE "SUMMIT" TO REVERSE THE DOWNTURN IN SINO-U.S. RELATIONS, TO FORMALIZE A MORE POSITIVE AND ASSERTIVE POLICY TOWARD ASIA AS A WHOLE, TO RESOLVE THE TAIWAN ISSUE, AND TO ESTABLISH A PERSONAL RELATIONSHIP BETWEEN THE TWO PRESIDENTS WHICH WILL LEAD TO AN EXCHANGE OF OFFICIAL VISITS. ACCORDING TO THE CHIEF AUTHOR OF THE REPORT (WHICH REPRESENTS A CONSENSUS OF SHANGHAI FOREIGN POLICY RESEARCHERS), THE REPORT ARGUES THAT IMPROVED SINO-U.S. RELATIONS ARE CRITICAL TO STABILITY AND MODERNIZATION IN CHINA. CHINA NEEDS TO IMPROVE ITS IMAGE AND REPUTATION IN ASIA IN ORDER TO CREATE THE FAVORABLE AND FRIENDLY INTERNATIONAL ENVIRONMENT IN WHICH THE CHINESE LEADERSHIP CAN CONCENTRATE ON DOMESTIC ECONOMIC AND POLITICAL MODERNIZATION, INCLUDING THE PEACEFUL TRANSITION OF LEADERSHIP.

2. QLOU RECOGNIZING THE CRITICAL ROLE THE MASS MEDIA PLAYS IN SHAPING PUBLIC OPINION IN THE U.S., THE REPORT ALSO HIGHLIGHTS THE NEED TO IMPROVE CHINA'S IMAGE BY ADOPTING A MORE OPEN AND POSITIVE POLICY TOWARD THE FOREIGN MASS MEDIA. SPECIFICALLY, THE GROUP SUGGESTED THAT JIANG ZEMIN LOOSEN CONTROLS ON FOREIGN CORRESPONDENTS IN CHINA, INVITE KEY FOREIGN MASS MEDIA REPRESENTATIVES TO SEE CHINA BEFORE THE SEATTLE MEETING, AND HOLD A PRESS CONFERENCE AND INTERVIEWS IN CONNECTION WITH THE SEATTLE MEETING. AT THE SAME TIME, P&D RESEARCHERS SUGGESTED THAT THE U.S. SERIOUSLY CONSIDER IMPROVING ITS IMAGE IN CHINA BY APOLOGIZING TO CHINA FOR ITS "MIS-HANDLING" OF THE "YINHE" AFFAIR.

3. QLOU EMPHASIZING THAT THEY HAD NOT YET RECEIVED ANY FEEDBACK OR REACTION TO THE REPORT FROM BEIJING POLICY-MAKERS, THE P&D INTERLOCUTORS SAID THAT ON THE SPECIFIC ISSUES OF CONCERN TO THE U.S., THEIR READING OF THE CLIMATE IN BEIJING

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INDICATED THAT JIANG MIGHT BE PREPARED TO TAKE A MORE FLEXIBLE ATTITUDE AND REACH A GENERAL AGREEMENT THAT "HUMAN RIGHTS ARE IMPORTANT IN/TO BOTH COUNTRIES," BUT THAT CHINA WILL CONTINUE TO ASSERT THAT EACH COUNTRY HAS ITS OWN FUNDAMENTAL VIEW OF WHAT THOSE RIGHTS ENTAIL. THEY UNDERSTAND THAT BEIJING IS "SERIOUSLY CONSIDERING" INVITING THE ICRC AND OPINED THAT IT IS JUST A MATTER OF TIME. ON ARMS/WEAPONS PROLIFERATION, THE RESEARCHERS SAID THEY HAD RECOMMENDED THAT THE PEOPLE'S LIBERATION ARMY BE MORE "SELF-CONTROLLING," I.E., THAT A STRUCTURE MUST BE PUT IN PLACE TO ENSURE BETTER CONTROL OVER EXPORTS OF WEAPONS AND COMPONENTS. HOWEVER, THEY DID NOT KNOW HOW OR IF THIS ISSUE WOULD BE ADDRESSED BY JIANG IN SEATTLE. END SUMMARY.

4. QLOU ON OCTOBER 30, CONGENOFF AND VISITING EMBOFF MET WITH RESEARCHERS AT THE CHINESE INSTITUTE OF PEACE AND DEVELOPMENT STUDIES (P&D) TO DISCUSS SINO-U.S. RELATIONS, INCLUDING HUMAN RIGHTS. P&D HAS ONE OF THE FEW FORMAL HUMAN RIGHTS STUDIES CENTERS IN CHINA. THE INSTITUTE HAS WELL-ESTABLISHED OPEN LINES TO KEY MINISTRIES AND PLAYS AN IMPORTANT ROLE IN FORWARDING THE VIEWS OF SHANGHAI INTERNATIONAL RELATIONS SPECIALISTS, PRESENTING AN "ALTERNATE" VIEW TO THAT OF BEIJING INSTITUTES (REF A, B). FOR EXAMPLE, ON OCTOBER 18, P&D HOSTED A ONE-DAY ROUNDTABLE OF SOME 20 SHANGHAI SPECIALISTS FROM FUDAN UNIVERSITY, SHANGHAI ACADEMY OF SOCIAL SCIENCES, SHANGHAI INSTITUTE FOR INTERNATIONAL STUDIES, AND SHANGHAI INTERNATIONAL STUDIES UNIVERSITY TO DISCUSS A REPORT ON SINO-U.S. RELATIONS

WITH RECOMMENDATIONS FOR JIANG ZEMIN'S MEETING WITH PRESIDENT CLINTON IN SEATTLE IN NOVEMBER.

APEC "SUMMIT"

CHINA'S AGENDA: TAIWAN

5. QLOU P&D VICE PRESIDENT (FOR ACADEMIC AFFAIRS) YANG JIEMIN PROVIDED A SUMMARY OF THE REPORT'S MAIN POINTS. FIRST CHINA SHOULD USE THE JIANG-CLINTON MEETING TO REVERSE THE "UNHAPPY DOWNTURN" IN SINO-U.S. RELATIONS. IN ADDITION TO ADDRESSING ISSUES OF CONCERN TO THE U.S., JIANG SHOULD SEEK TO "RESOLVE" THE TAIWAN ISSUE AND ESTABLISH A PERSONAL RELATIONSHIP WITH CLINTON WHICH WILL LEAD TO AN EXCHANGE OF OFFICIAL VISITS. YANG EMPHASIZED THAT THE "TAIWAN ISSUE IS VERY BASIC, PERHAPS THE MOST SERIOUS ISSUE FOR CHINA." THIS NOT AN ISSUE WHICH CAN BE RESOLVED GRADUALLY, LIKE OTHER

ISSUES. (NOTE: YANG DID NOT EXPAND ON THE NATURE OF THE ISSUE OR HOW IT SHOULD BE RESOLVED, BUT HE IS PROBABLY REFLECTING THE VIEW THAT CHINA SEEKS A HIGH-LEVEL REAFFIRMATION (BY THE PRESIDENT) THAT THE "THREE COMMUNIQUE" FORM THE BASIS OF U.S. POLICY TOWARD TAIWAN. END NOTE.)

BROADER INTERESTS

6. QLOU GOOD RELATIONS WITH THE U.S. ARE CRITICAL TO IMPROVING CHINA'S IMAGE AND REPUTATION IN ASIA. ARGUING THAT FRIENDLY RELATIONS WITH ASIAN-PACIFIC NATIONS ARE NECESSARY FOR CHINA'S ECONOMIC MODERNIZATION AND POLITICAL STABILITY, THE REPORT RECOMMENDS THAT CHINA USE THE OPPORTUNITY OF THE APEC MEETING "TO FORMALIZE A MORE POSITIVE AND ASSERTIVE POLICY" TOWARD ASIA. NOTING THAT CHINA HAS ALREADY MOVED FROM ITS EARLIER "DEFENSIVE" POLICY TOWARD ASIA, ESTABLISHING OR NORMALIZING RELATIONS WITH ASEAN MEMBERS AND SOUTH KOREA, THE REPORT ARGUES THAT CHINA NEEDS GOOD RELATIONS WITH ITS REGIONAL

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NEIGHBORS SO IT CAN FOCUS ON ITS DOMESTIC MODERNIZATION AND
DEVELOPMENT. FURTHER, "A FAVORABLE ASIA-PACIFIC ENVIRONMENT
WILL BE CONDUCTIVE TO A PEACEFUL TRANSITION OF LEADERSHIP IN
CHINA."

U.S. AGENDA: HUMAN RIGHTS

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UNDERSTAND THE NATIONALISM OF THE CHINESE, THEIR SENSE OF
INFERIORITY AND ANGER AT HAVING BEEN OCCUPIED AND HUMILIATED BY
WESTERN POWERS (AND JAPAN). CHINA WANTS -- AND DESERVES -- TO
BE TREATED AS AN EQUAL. IN THIS CONTEXT, YANG SAID, QUITE

7. (QOU) ON HUMAN RIGHTS, YANG AND HUMAN RIGHTS RESEARCH
CENTER EXECUTIVE SECRETARY SUN CHANGLIN ARGUED THAT WHILE THERE
HAS BEEN "A CHANGE IN ATTITUDE TOWARD HUMAN RIGHTS," THAT
CHINESE LEADERS ARE NOW MORE FLEXIBLE AND WILLING TO DISCUSS
THE ISSUE WITH FOREIGN GOVERNMENTS, THEIR "FUNDAMENTAL VIEW"
HAS NOT CHANGED. THAT IS, CHINA HAS A DIFFERENT VIEW OF HUMAN
RIGHTS WHICH PRIORITIZES ECONOMIC AND SOCIAL RIGHTS OVER
POLITICAL AND CIVIL RIGHTS. HENCE, YANG PREDICTED THAT WHILE
JIANG MIGHT BE WILLING TO REACH SOME GENERAL AGREEMENT AT
SEATTLE THAT "HUMAN RIGHTS ARE IMPORTANT," ULTIMATELY THE BEST
SOLUTION WOULD BE "TO AGREE TO DISAGREE" OVER THE DEFINITION OF
HUMAN RIGHTS.

8. (QOU) YANG SAID IT IS FAIR TO SAY THAT "HUMAN RIGHTS" IS AT

A "HIGHER LEVEL" IN THE U.S. THAN IN CHINA; CHINA IS STILL A
DEVELOPING COUNTRY WITH A COMPARATIVELY LOW LEVEL OF EDUCATION
AND POLITICAL SOPHISTICATION. THE P&D INTERLOCUTORS NOTED THAT
SOME CHINESE POLICIES WILL NOT CHANGE: FOR EXAMPLE, FAMILY
PLANNING AND CONTROLLED EMIGRATION.

9. (QOU) YANG, WHO MET WITH MFA INTERNATIONAL ORGANIZATIONS
DEPARTMENT DIRECTOR QIN HUASUN ON OCTOBER 11, JUST AFTER ASEC
SHATTUCK DEPARTED, SAID HE HAD THE IMPRESSION THAT THE
GOVERNMENT IS ON THE VERGE OF ANNOUNCING AN INVITATION TO THE
ICRC TO VISIT PRISONS. THAT QIN DID NOT "ANNOUNCE" IT IN HIS
MEETING WITH SHATTUCK INDICATES THAT NOT EVERYONE HAS CHOPPED
OFF ON THE DECISION BUT HE BELIEVED THE ANNOUNCEMENT MAY BE
MADE AT THE SEATTLE MEETING. ON THE OTHER HAND, YANG SAID HE
THOUGHT THE GOVERNMENT WAS STILL TOO WARY OF SUCH ORGANIZATIONS
AS AMNESTY INTERNATIONAL AND ASIA WATCH TO BE WILLING TO EXTEND
THEM AN INVITATION TO VISIT CHINA.

10. (QOU) ON WEAPONS PROLIFERATION, YANG DID NOT DIRECTLY
ADDRESS THE ISSUE, BUT RESPONDED TO A COMMENT BY SAYING THAT
P&D HAD RECOMMENDED IN ITS REPORT THAT THE CHINESE GOVERNMENT
-- AND THE PLA, IN PARTICULAR -- BE MORE "SELF-CONTROLLING,"
I.E., THAT A STRUCTURE BE PUT IN PLACE TO ENSURE BETTER CONTROL
OVER EXPORTS OF WEAPONS AND COMPONENTS. THE BOTTOM LINE, SAID
YANG, IS THAT IT IS IN CHINA'S INTERESTS TO ABIDE BY ITS
INTERNATIONAL AGREEMENTS AND TO POLICE AND IMPLEMENT ITS OWN
INTERNAL REGULATIONS.

ATMOSPHERICS

11. (QOU) YANG AND AMERICAN STUDIES FELLOW HU YONGJUN SAID
THAT THE REPORT ALSO HIGHLIGHTED THE IMPORTANCE OF PUBLIC
RELATIONS AND RECOMMENDED THAT JIANG INVITE AMERICAN
JOURNALISTS TO VISIT CHINA BEFORE THE MEETING, LOOSEN
RESTRICTIONS ON RESIDENT FOREIGN JOURNALISTS, AND MEET WITH
AMERICAN MEDIA REPRESENTATIVES IN THE U.S. PUBLIC RELATIONS IS
A "FOREIGN CONCEPT," SAID YANG, BUT CHINESE LEADERS NEED TO
REALIZE THAT AMERICANS FORM THEIR IMPRESSIONS OF CHINA FROM THE
MEDIA, NOT FROM CHINESE PROPAGANDA. YANG FURTHER RECOMMENDED
IN THE REPORT, THAT THE CHINESE GOVERNMENT UNDERSTAND AND
ACCOMMODATE THE NEED FOR AN "OPEN" INFORMATION ENVIRONMENT AND
NOT REACT SO STRONGLY TO ISOLATED INCIDENTS OF FOREIGN
JOURNALISTS WANDERING OFF THE RESERVATION OR OBTAINING INSIDE
INFORMATION.

12. (QOU) AT THE SAME TIME, SAID YANG, THE AMERICANS NEED TO

FRANKLY MANY CHINESE INTELLECTUALS (AND AVERAGE CITIZENS) THINK
THE U.S. IS "ARROGANT AND IGNORANT." USING THE WAY THE U.S.
HANDLED THE "YINHE" AFFAIR AS AN EXAMPLE OF THIS BEHAVIOR, YANG
QUOTED A CHINESE PROVERB TO THE EFFECT THAT SINCE THE U.S.
FOUND NOTHING ON THE SHIP, THE U.S. OWES CHINA AN APOLOGY. AN
APOLOGY WOULD GO A LONG WAY TOWARD BOTH RESTORING THE
CREDIBILITY OF THE U.S. IN THE EYES OF THE CHINESE PEOPLE AND
ELIMINATING A SOURCE OF FRICTION IN SINO-U.S. RELATIONS.
(NOTE: YANG CLAIMED NOT TO KNOW THE INSIDE STORY OF THE

"YINHE" AND WHAT IT SUPPOSEDLY WAS CARRYING AND HOW, BUT HE
STATED THAT HE "UNDERSTOOD SOME PEOPLE IN THE U.S. INTELLIGENCE
SERVICE WERE CRITICIZED FOR THE INTELLIGENCE FAILURE." END
NOTE.)

COMMENT

13. [

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NOTE: NOT PASSED TO ABOVE ADDRESSEE(S)

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